**Hasbro Fourth Quarter & Full Year 2014**
**Financial Results Conference Call Management Remarks**
**February 9, 2015**

**Debbie Hancock, Hasbro, Vice President, Investor Relations**:

Thank you and good morning everyone.

Joining me this morning are Brian Goldner, Hasbro's President and Chief Executive Officer, and Deb Thomas, Hasbro's Chief Financial Officer. Today, we will begin with Brian and Deb providing commentary on the company's performance and then we will take your questions.

Our fourth quarter and full-year 2014 earnings release was issued this morning and is available on our website. Additionally, presentation slides containing information covered in today's earnings release and call are also available on our site. The press release and presentation include information regarding Non-GAAP financial measures. Please note that whenever we discuss earnings per share or EPS, we are referring to earnings per diluted share.

Before we begin, I would like to remind you that during this call and the question and answer session that follows, members of Hasbro management may make forward-looking statements concerning management's expectations, goals, objectives and similar matters. These forward-looking statements may include comments concerning our product and entertainment plans, anticipated product performance, business opportunities, plans and strategies, foreign exchange translation, costs and cost savings initiative, financial goals and expectations for our future financial performance.

There are many factors that could cause actual results or events to differ materially from the anticipated results or other expectations expressed in these forward-looking statements.

Some of those factors are set forth in our annual report on form 10-K, our most recent 10-Q, in today's press release and in our other public disclosures.  You should review such factors together with any forward-looking statements made on today's call.

We undertake no obligation to update any forward-looking statements made today to reflect events or circumstances occurring after the date of this call.

I would now like to introduce Brian Goldner.

**Brian Goldner, Hasbro President and CEO**:

Thank you, Debbie. Good morning everyone and thank you for joining us today.

Hasbro's 2014 results highlight the power of understanding our consumers and audiences by garnering great consumer insights to drive innovation and build brands globally. Superior retail execution, compelling storytelling and global consumer engagement across mediums further strengthens these brands.

At Hasbro, consumer insights and storytelling surround our brands and sit at the center of our brand blueprint. This brand blueprint is the strategy our global teams are employing around the world and through which we are differentiating Hasbro in a competitive marketplace. Through innovation and storytelling we are "Creating the World's Best Play Experiences."

In 2014 the execution of our strategy resulted in revenue growth of 5%. Improved profitability across segments delivered an adjusted operating profit growth rate of 7% and an expanded operating profit margin of 14.9%.

For the year, Hasbro Franchise Brands grew 31%. This growth was driven by story-led brands including MY LITTLE PONY and TRANSFORMERS, but also from innovation based firmly in our global consumer insights for brands including NERF and PLAY-DOH. In total, six of our seven Franchise Brands grew in 2014: MAGIC: THE GATHERING, MONOPOLY, MY LITTLE PONY, NERF, PLAY-DOH and TRANSFORMERS.

Within our partner brand portfolio, great storytelling and content supported by innovation propelled Marvel properties to higher levels behind the Avengers, Spider-Man and the Guardians of the Galaxy franchises.

Geographically, the global execution of our strategy drove International segment revenue growth of 8% in 2014 or 13% on a constant currency basis. Six of seven Hasbro Franchise Brands grew in the segment.

Emerging market revenues increased 20%. Our playbook to continue growing in these significant markets includes driving consumer engagement with innovative product lines for Hasbro and partner brands, combined with television and film content distributed across mediums. These elements make our brands more attractive to a growing middle class increasingly shopping for brands. Emerging markets now represent 16% of our total revenues – a significant increase from a few years ago.

International growth, however, was not limited to emerging markets. We grew across all major geographic regions, including major markets such as the UK, Italy and Spain, as well as Mexico, a developing market for

Hasbro. Although early, 2015 point of sale in major European markets is strong.

Entertainment and Licensing segment revenues increased 15% and posted its highest ever annual revenues. Investments to establish global licensing teams, our focus on Franchise Brands and global consumer engagement across mediums, in addition to television and film, drove these strong results.

Our 2014 performance highlighted the strength of our licensing efforts across multiple brands, as both MY LITTLE PONY and TRANSFORMERS fueled this growth.

In the U.S. and Canada segment, actions we took over the past several years to reduce inventory, strengthen our channel strategy and enhance our digital and online capabilities helped return the segment to growth in 2014. This strong execution coupled with innovation and content resulted in all seven of Hasbro's Franchise Brands increasing revenues in the segment.

If we turned the clock back to this time last year, the outlook for Hasbro was strong – and we delivered on that promise.

Yet, as is true in our industry, delivering on that opportunity was not without its challenges.

Total Hasbro revenue growth of 5% was broad based across Franchise and partner brands and geographies, but had to compensate for significant declines in both FURBY and BEYBLADE.

In the U.S., shopping patterns continued to shift later in the year, with the end of the holiday period representing an even greater percentage of consumer take away. Point of sale trends were positive over the last four weeks of the year.

For the full year 2014, U.S. POS at our top 5 retailers was down 3% versus 2013, but grew more than 30% in our Franchise Brands. If you removed the impact of declines in both BEYBLADE and FURBY, total POS grew 4%. In fact, if you removed either BEYBLADE or FURBY, POS was positive in the year. These same trends were true in the fourth quarter. Additionally, online point of sale continued to deliver double-digit growth in both the fourth quarter and full-year 2014. The positive trends at year end have carried forward into early 2015, with growth in the U.S. point of sale continuing.

As I mentioned, international revenues grew 8% but were significantly impacted by the strengthening dollar. The impact was most pronounced in November and December and in total foreign exchange translation reduced 2014 revenues by $93 million. Excluding this impact, growth in the International segment would have been greater, at 13%. We anticipate foreign exchange to continue to be a headwind in 2015 and Deb will speak to this further.

In the U.S., where currency was not a factor, the industry faced a significant challenge due to the ongoing port dispute on the West Coast. We put our contingency plan to work early on, incurring higher costs to ship product to our East Coast warehouse.  As a result we did not experience any significant issues in delivering our product and further grew operating profit in the U.S.  We anticipate some residual impact early in 2015 as a result of retailer inventory making its way to store shelves, but we do not anticipate this impacting the full year 2015.  I can't say enough about what a great job our teams did in minimizing this impact to Hasbro.

We achieved 5% revenue growth and 7% operating profit growth while addressing these challenges.

Let's discuss our performance:

As expected, given the robust entertainment slate in 2014, the Boys category had a strong year with revenue growth of 20%.  Growth in TRANSFORMERS, NERF and MARVEL initiatives more than offset the revenue decline in BEYBLADE.

- 2014 TRANSFORMERS revenues were in line with 2011 movie year revenues, with revenue gains internationally in particular within the Emerging Markets, as well as licensing.
- NERF delivered its largest year in history behind incredibly innovative new product and impactful global marketing campaigns. According to NPD, when combined together, NERF and NERF REBELLE would be the second largest property in the U.S. in 2014.
- For Marvel, compelling entertainment and innovation across several franchises resulted in strong growth for Marvel properties in 2014.

Each of these was a significant contributor to Hasbro's growth versus 2013.

The Girls category posted its second straight billion dollar year, growing revenues 2%. We have made tremendous progress in building brands that girls around the world want to experience. MY LITTLE PONY and MY LITTLE PONY EQUESTRIA GIRLS, NERF REBELLE and the launch of PLAY-DOH DOHVINCI all contributed to this growth and offset a significant decline in FURBY, which was in its third year in English-speaking markets.

LITTLEST PET SHOP, our only Franchise Brand which did not grow for the full-year 2014, was re-launched in the second half of the year. Revenues grew slightly in the fourth quarter across Hasbro and increased for the full year in the U.S. and Canada segment.

We continue to build our Girls' portfolio and have a number of exciting, new initiatives over the coming years.

Our ongoing development of a more contemporary and relevant Games business continued in 2014. MAGIC: THE GATHERING and MONOPOLY revenues both increased, as did revenue for several of our brands including SIMON and the GAME OF LIFE. ANGRY BIRDS, DUEL MASTERS and TWISTER were among the initiatives that declined in 2014.

Over the past few years, we have invested in building our gaming capabilities across analog and digital platforms, including new gaming experiences across our portfolio and investments in the digital platform for MAGIC: THE GATHERING. We continue to build MAGIC: THE GATHERING as a compelling brand experience for our players and there remains significant growth opportunity globally.

Despite a slight revenue decline in 2014, our core gaming brands and our approach to gaming, including our retail execution, have evolved and strengthened significantly over the past few years. We are well positioned to continue driving innovative gaming experiences for global consumers.

Finally, the Preschool category revenues declined 4% in 2014. Throughout the year, PLAY-DOH and TRANSFORMERS RESCUE BOTS performed very well, but were offset by declines in core

PLAYSKOOL and SESAME STREET. In Preschool, we are focused on Hasbro Franchise Brands and story-led initiatives where we believe we can differentiate our offerings and deliver higher profitability. While revenue has declined, today's revenue commands a higher margin and our profitability is growing.

For 2015, we have new initiatives across our portfolio of Hasbro and partner Brands. We look forward to sharing these with you on Friday at Toy Fair.

In support of our brand development efforts, we also furthered content and digital capabilities last year. Hasbro Studios continues to drive storytelling and brand activation. Our shows are among the highest rated shows globally where they appear and today are airing in 100% of the territories into which we sell. Storytelling is unlocking incremental revenue and earnings power in our business.

In October in the U.S., Discovery Family debuted in partnership with Discovery Communications. We incurred incremental costs in 2014 associated with this transition, but we believe these changes enhance the value of the network and its long-term profitability. We are already seeing improved ratings on the network, including the best December since forming the Joint Venture. Discovery Family remains the most co-viewed network in terms of percentages of adults and kids watching together across all kids' networks. Hasbro Studios shows are prominently featured on the network. Since debuting in October 2014, Discovery Family Channel has aired more than 1,000 total hours of Hasbro content – with an average of 68 hours per week, to date.

We also advanced our film strategy with multiple films in development with studio partners and the formation of Allspark Pictures.  Similar to television, we are making strategic investments with our resources and, in selective instances, our capital where we believe we can deliver higher returns and more compelling brand experiences.

Finally, our continuous, determined drive to build on our consumer-centric insights, brands' resonance and operational efficiency are paying off with growth in profitability across all segments.  At the same time, we are investing in future brands and capabilities while returning significant capital to our shareholders.

We look forward to sharing with you more about our plans for 2015 and beyond later this week at Toy Fair.

I would like to now turn over the call to Deb.

**Deb Thomas, Hasbro CFO**

Thank you Brian and good morning everyone.

As Brian said, 2014 was a good year for Hasbro as revenues and profit grew, we returned significant capital to shareholders and our underlying financial performance was strong despite several challenges in the marketplace, including a large negative foreign exchange impact at the end of the year.

Our business grew across segments, geographies and Franchise and partner Brands. Our investments in new markets, in global teams and in new capabilities and systems enabled this performance and our ongoing focus toward lowering costs and maximizing profitability is delivering results.

We ended 2014 in a strong financial position. We generated $454 million in operating cash flow and ended the year with $893 million of cash on the balance sheet.

Before we discuss the year's results, please note there were a number of charges and benefits in both 2014 and 2013. We have included a reconciliation of both years to reported amounts in today's release and the presentation accompanying this call. During my discussion of our business, I will exclude these items as they do not speak to the underlying performance of Hasbro.

Looking at our segments for the full-year 2014,

Revenues in the U.S. and Canada segment increased 1%. Growth in the Boys category offset declines in the Girls, Games and Preschool categories. All seven of Hasbro's Franchise Brands grew revenues in 2014, as did Marvel properties. This growth more than offset the expected declines in FURBY and BEYBLADE.

Our U.S. business is posting positive gains after several challenging years. Franchise Brand POS was up 31% in 2014 and we are well positioned from an inventory and brand initiative standpoint for 2015.

In Canada, revenue declined in the year, but point of sale at our retailers increased. Looking ahead to 2015, given Target's decision to exit the Canadian market the environment will be more challenging.

Operating profit in the U.S. and Canada segment increased 7% for the year, reflecting the higher revenue levels and improved expense leverage.

In the International segment, full-year 2014 revenues increased 8%, with 6% growth in Europe, 14% growth in Latin America and 10% growth in Asia Pacific. Emerging Market revenues increased 20%.

For the year, foreign exchange had a negative $87.7 million dollar impact on revenues for this segment. Absent the impact of foreign exchange, International segment revenues grew 13% and emerging markets grew approximately 30%.

Internationally, the Boys, Girls and Preschool categories all grew revenues in 2014 and more than offset a decline in the Games category. As in the U.S and Canada segment, strong growth in Hasbro Franchise Brands was further supported by growth in Marvel products. Six of our seven Franchise Brands grew. This growth was partially offset by declines in FURBY and BEYBLADE.

Operating profit increased 17% in the International segment, on higher revenues and improved expense leverage. We continue to make investments in certain international territories to build our brands, enhance our talent and build new capabilities.

In 2015, the International Segment, and Hasbro overall, face difficult comparisons given the current foreign exchange environment and the strengthening of the U.S. dollar. 55% of our 2014 revenues were denominated in U.S. dollars. The next largest currency was the Euro at 16% of revenues and all other currencies were less than 5% each of revenues.

Total Hasbro 2014 revenues translated at current foreign exchange rates would be approximately $250 million lower than what we reported. Translation not only impacts our top line revenues, but our profitability as well. Given the impact from foreign exchange occurred so late in the year, it had an approximate $25 million negative impact on net earnings. While we anticipate raising prices in many markets outside the U.S. to recover some of the profitability in these markets, the comparison will be difficult.

Our final major segment, the Entertainment and Licensing segment, grew revenues 15%. Growth in lifestyle licensing revenues for Hasbro Franchise Brands, including MY LITTLE PONY and TRANSFORMERS, was the primary driver behind the record year for the segment.

The Entertainment and Licensing segment operating profit increased 28% on an adjusted basis reflecting the higher lifestyle licensing revenues in the year.

For Hasbro overall, higher revenue and improved expense leverage delivered higher overall profitability in 2014, both in operating profit dollars and margin.

Cost of sales as a percentage of revenue declined to 39.7% versus 40.7% in 2013. As we experienced throughout the year, growth in entertainment properties, including TRANSFORMERS and MARVEL, as well as higher Entertainment and Licensing revenues, were the primary contributors to this improvement.

With the growth in entertainment-backed revenues, royalty expense also increased. For 2014, royalty expense increased to 7.2% of revenues. This was in line with our stated expectation of being within the range of our five-year average of 7.3%.

Full-year product development expense increased to 5.2% of revenues. Investment in our brands and in innovation is ongoing and strategically important for Hasbro. As we previously communicated, we began development of the Disney Princess and Frozen properties in the fourth quarter, ahead of revenues which do not commence until 2016. As a result, as anticipated, 2014 product development expense was above the high end of our typical product development range of 4.5% to 5.0%.

In 2015, we anticipate product development as a percent of sales to be in the range of 5.0% to 5.5%. This expense should return to our more normalized range in future years as we begin to recognize revenues associated with the Disney Princess and Frozen properties.

Intangible amortization declined to $52.7 million for the year as some of our assets have been fully amortized.

Program production cost amortization declined slightly and remained near the 1.1% of revenues we projected for the full year. Brian discussed the importance of storytelling and the role film and television has in building brands globally. We will continue investing in content creation to build our brands.

SD&A increased 6%, slightly ahead of our revenue growth for the year. As we discussed previously, we are making investments in our business including our digital capabilities with MAGIC: THE GATHERING and Backflip, where we have increased staff and had a full year of expense versus 2013. Additionally, equity compensation increased in 2014 versus 2013 as did depreciation associated with systems in which we have invested.

Our efforts to lower our underlying cost basis have unlocked additional earnings power in our business, while enabling us to invest in new capabilities, innovation and systems to drive the growth of Hasbro over the long-term.

Turning to our results below operating profit for the quarter:

Other expense for the year was $8.5 million compared to $9.7 million in 2013. Our share of the operating income of Discovery Family Channel was $7.8 million, versus a loss of $2.4 million in 2013.

We also record the impact of foreign exchange transactions in this line. In 2014, given the dramatic swings in currency valuations during the year, most notably the significant drop at year end in the Euro, Ruble and Real against the U.S. dollar, we recorded an expense of $20.9 million versus an expense of $5.2 million last year.

There are also two large items in our reported other expense I want to highlight.

The first is that 2014 reported other expense included $29.8 million associated with restructuring our equity investment in the Discovery Family Channel joint venture.

The second is that, reported other income/expense for the year also included $36.0 million from the sale of our license rights associated with intellectual property.

The 2014 underlying tax rate was 26.5% versus 25.8% in 2013. For 2015, we currently expect our full-year underlying tax rate to be in the range of 26.5 to 27.5% reflecting continued higher anticipated earnings in the U.S.

During the fourth quarter, in the interest of resolving a long standing dispute, Hasbro reached a settlement for the years 2000 to the end of 2013 with the Mexican tax authorities. This is in line with our previously stated expectations totaling $65 million in tax payments. This settlement does not materially impact our overall tax rate in future periods.

We remain committed to meeting our tax obligations around the world and through the end of 2013 are no longer subject to audit in most markets.

For the full year, average diluted shares were 129.9 million shares compared to 131.8 million last year.  The actual amount of shares outstanding at the end of the 2014 was 124.5 million.

Diluted earnings per share, absent charges and benefits, for the full-year 2014 were $3.15 versus $2.83 in 2013.

We returned $677.6 million to shareholders in 2014:  $216.9 million in cash dividends and $460.7 million in share repurchase.  Given the availability of cash in the U.S., we increased our repurchase activity in 2014.  Our expectation is that 2015 share repurchases will return to a lower, more normalized level.   At year-end, $64.2 million remained available in our current share repurchase authorization and today we announced our Board has approved a new $500 million share repurchase authorization.

Additionally, we announced today that the Board has approved a three cent per share, or seven percent, increase in the quarterly dividend. The new quarterly dividend rate of $0.46 per share will be payable on May 15th to shareholders of record on May 1st.  We remain committed to investing in our business, and returning excess capital to our shareholders through dividends and share repurchases.

Receivables at year-end were essentially flat with 2013 and DSOs declined one day to 76 days. Absent the impact of foreign exchange, receivables increased approximately 10%.

Inventories declined $9.2 million versus last year and is of good quality. Inventory in the U.S. and Canada declined while inventory in growing international markets, in particular emerging markets, increased. Adjusting for a negative foreign exchange impact, inventory increased 8%. We also ended 2014 with good inventory positions at our retailers.

In closing, 2014 was a good year for Hasbro as the team delivered improvements in both revenue and profits globally and both our financial and cash positions are strong. We believe in the underlying top and bottom line strength in our business and we are well positioned to capitalize on our innovative lines and robust entertainment in 2015 while we continue to invest for growth in our business for the long-term. I look forward to seeing you at Toy Fair later this week to further outline our initiatives and financial outlook for 2015.

Brian and I are now happy to take your questions.